AN ACT concerning public employee benefits.

Be it enacted by the People of the State of Illinois, represented in the General Assembly:

Section 5. The Illinois Pension Code is amended by changing Section 3-145 as follows:

(40 ILCS 5/3-145) (from Ch. 108 1/2, par. 3-145)

Sec. 3-145. Referendum in municipalities less than 5,000.

(a) This Article shall not be effective in any municipality having a population of less than 5,000 unless the proposition to adopt the Article is submitted to and approved by the voters of the municipality in the manner herein provided.

Whenever the electors of the municipality, equal in number to 5% of the number of legal votes cast at the last preceding general municipal election, petition the city, village or town clerk to submit the proposition whether that municipality shall adopt this Article, the officer to whom the petition is addressed shall certify the proposition to the proper election officials who shall submit the proposition in accordance with the general election law at a regular election in the municipality provided that notice of the referendum, if held before July 1, 1999, has been given in accordance with the provisions of Section 12-5 of the Election Code in effect at the time of the bond referendum, at least 10 and not more than

45 days before the date of the election, notwithstanding the time for publication otherwise imposed by Section 12-5. Notices required in connection with the submission of public questions on or after July 1, 1999 shall be as set forth in Section 12-5 of the Election Code. If the proposition is not adopted at that election, it may be submitted in like manner at any regular election thereafter. The proposition shall be substantially in the following form:

If a majority of the votes cast on the proposition is for the proposition, this Article is adopted in that municipality.

- (b) For a period of 60 days after the effective date of this amendatory Act of the 96th General Assembly, if a municipality having a population of less than 5,000 has adopted this Article in accordance with the provisions of subsection (a), the municipality may elect to terminate participation under this Article if all of the following conditions are met:
 - (1) An independent auditor certifies that the fund created under this Article has no liabilities and there are no members or participants in the fund and no beneficiaries

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entitled to benefits under the fund.

(2) The corporate authorities of the municipality, by ordinance, approve the closing of the fund.

If the conditions of this subsection (b) are met and the closed fund contains assets, those assets shall be transferred to the municipality for its general corporate purposes.

If a municipality that terminates participation under this Article in accordance with this subsection (b) wants to reinstate the fund, then the proposition to re-adopt the Article must be submitted to and approved by the voters of the municipality in the manner provided in subsection (a).

(Source: P.A. 90-812, eff. 1-26-99; 91-57, eff. 6-30-99.)

Section 99. Effective date. This Act takes effect upon becoming law.